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RUEHQT/AMEMBASSY QUITO 7337
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C O N F I D E N T I A L LA PAZ 001043

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [PINR](#) [ECON](#) [BL](#)
SUBJECT: CHOQUEHUANCA UNAWARE OF USAID SUSPENSION

REF: LA PAZ 1027

Classified By: Charge d'Affaires James Creagan for reasons 1.4 (b, d)

11. (C) Summary: Government of Bolivia Foreign Minister David Choquehuanca expressed to CDA James Creagan in a meeting on July 14 some surprise that he was unaware Planning Minister Noel Aguirre had given Creagan a letter July 9 directing USAID to freeze all democracy and governance programming by July 15 (reftel). Choquehuanca indicated his preference to discuss development aid and trade issues through bilateral talks. After pledging to review the pending suspension quickly, Choquehuanca complained the USG was a month late in responding to the GOB's framework agreement draft. CDA Creagan emphasized our desire to cooperate with the GOB in improving relations through the bilateral discussions. Embassy does not conclude much from Choquehuanca's desire to work toward improved bilateral relations, however, as he appears to be increasingly sidelined within the GOB hierarchy, even admitting to CDA that he has not attended a cabinet meeting in two months. End summary.

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ATPDEA Aftershocks
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12. (C) Charge d'Affaires James Creagan and A/DCM Chris Lambert met with GOB Foreign Minister David Choquehuanca and Vice Foreign Minister Hugo Fernandez on July 14 to review concerns raised by the Foreign Minister regarding economic trade benefits during his recent meeting with the Secretary, to discuss a GOB directive to suspend all USAID activities related to democracy and governance programming (reftel), and to emphasize USG desire to improve all significant aspects of the bilateral relationship through the ongoing bilateral discussions.

13. (C) CDA Creagan gave FM Choquehuanca a copy of a letter from A/S Thomas Shannon to Bolivian Charge d'Affaires to the UN Pablo Solon, in which Shannon responded to several questions and concerns raised by Choquehuanca in their July 2 meeting with the Secretary regarding the Andean Trade Promotion and Drug Eradication Act (ATPDEA). After thanking the Charge for the letter, Choquehuanca affirmed his prior statements that the GOB viewed President Obama's report on

the GOB's qualifications (or lack thereof) for ATPDEA as interfering in Bolivia's internal affairs. However, he then softened the statement by acknowledging the interference was "perhaps unintentional."

14. (C) Choquehuanca said the lack of ATPDEA benefits was an important issue, especially textile exports. He said the GOB was working increasingly successfully with Venezuela and Mercosur to construct a combined USD 50 million vehicle to support such exports (although he noted the Venezuelans took too long to remit payment). Choquehuanca then changed tack, stating that "more important than ATPDEA" was the much larger amount of trade via the General System of Preferences (GSP). He said it was "very important to communicate to the country" the export opportunities that still existed under GSP and that ATPDEA was not the only trade benefit Bolivia enjoys. Choquehuanca repeated this several times, saying that under GSP, some 13,860 products could gain entry to the United States, while under ATPDEA Bolivian exporters accessed only 91 out of 1,680 product types. CDA Creagan agreed and said he hoped we could improve our economic cooperation through the ongoing bilateral discussions.

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USAID Suspension? What Suspension?
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15. (C) CDA Creagan then handed Choquehuanca the letter from Planning Minister Noel Aguirre directing USAID to suspend all democracy and governance programming by July 15. Creagan began discussing the issue, but stopped when it became clear

Choquehuanca had neither seen nor heard of the letter before. After reading the letter, Choquehuanca listened intently as CDA discussed the potentially unforeseen consequences of such a suspension of activities, including halting of the Integrated Justice Centers (a program requested by the GOB Justice Ministry) and work with local municipalities that was being done in concert with the GOB. A/DCM Lambert discussed how following the May 20-21 bilateral discussions in La Paz, USAID sought to review USAID programming with GOB representatives but received no response until this letter. CDA underscored that while the USG seeks to cooperate with the GOB, the approach outlined in the letter could have negative repercussions, including in the U.S. Congress.

16. (C) Choquehuanca paused, said "I have a very simple reaction to this," and then proceeded to make several somewhat contradictory points. First, he noted that "the U.S. has a responsibility to help all the people in a country, not just some," and said past development aid practices benefiting "some over others" could have led to this decision to suspend the USAID activities in question. However, Choquehuanca then said that he personally thought such decisions could be better made as part of the overall bilateral talks. After making this observation, he confessed that he had not been to a cabinet meeting in two months and that it was quite possible "they had made some other decision," citing Ministers Quintana, Walker San Miguel, and Rada as those that could have made the decision. Still, he repeated, "it would be better to discuss this issue in detail during the second round of negotiations." He concluded by saying he would talk with the cabinet members about this issue the same day and would try to call Charge Creagan soon.

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Talks Moving Too Slowly
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17. (C) Choquehuanca segued from his advocacy of the bilateral talks to criticizing the USG for moving too slowly in providing a response to the GOB draft framework agreement. He commented that A/S Shannon told him that the USG desired better relations, that it could be done quickly, and that the GOB would receive a response to their framework agreement draft by June 16 to 19. Noting that such a response was now almost a month overdue, Choquehuanca said he believed President Obama and the Secretary believed in the talks and

in advancing bilateral relations. Choquehuanca then questioned whether the USG bureaucracy "shared the same vision."

18. (C) CDA Creagan demurred and told the Foreign Minister that "we are all committed to improving relations." He further expressed that the June 27-28 trip to Bolivia by Special Emissary Maria Echaveste (septel) represented the Secretary's commitment to improving bilateral relations. Choquehuanca sighed and mentioned that President Morales told him, "Maybe the best relations with the U.S. would be relations without any (development aid) cooperation," a phrase also used by Presidency Minister Quintana in the May 20-21 discussions.

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Comment
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19. (C) This meeting reproduced a now-familiar pattern, in which the Foreign Minister evinces a seemingly sincere desire for increased bilateral engagement but appears to be marginalized within the upper echelons of the GOB. His lack of knowledge of the letter from Aguirre suspending USAID democracy and governance activities, his lack of attendance at cabinet meetings, and his lack of presence at the first round of bilateral talks (which Presidency Minister Quintana facilitated instead) would seem to equal a lack of influence. Choquehuanca may well be aware of his position, as evidenced by his frustration at the slow pace of the bilateral talks.

If he is unable to show others in the GOB who are inclined against reengagement that the bilateral discussions are moving forward, he may lose even more status. CDA Creagan assured Choquehuanca that we are working through the process and will have a response for him soon, perhaps even at the beginning of next week. End comment.
CREAGAN